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## **OLR Bill Analysis**

### **sSB 280**

#### ***AN ACT CONCERNING UNINSURED AND UNDERINSURED MOTORIST COVERAGE OFFSETS.***

##### **SUMMARY:**

This bill prohibits insurers from reducing uninsured and underinsured motor vehicle insurance coverage payments by amounts paid by or on behalf of a tortfeasor (i.e., person at fault) for (1) bodily injury to anyone other than people insured by the policy under which the claim is made or (2) property damage. Thus, the insurer can reduce the coverage payment by amounts a tortfeasor paid for bodily injury to a person insured by the policy.

The bill applies to auto liability insurance policies issued or renewed on or after October 1, 2015.

EFFECTIVE DATE: October 1, 2015

##### **BACKGROUND**

###### ***Uninsured and Underinsured Motorist Coverage***

Uninsured motorist coverage compensates a policyholder for expenses incurred when another driver who is at fault for an accident has no auto liability insurance or is a hit-and-run driver. Underinsured motorist coverage compensates a policyholder when the at-fault driver has an insufficient amount of auto liability insurance.

###### ***Related Bill***

HB 5061, which the Judiciary Committee reported favorably, prohibits insurers from denying uninsured motorist coverage to a named insured or related household member solely because he or she is struck as a pedestrian by, and during the theft of, a covered vehicle the insured owns.

##### **COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea     19     Nay   0     (03/13/2014)